

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

FIRST SET OF INFORMATION REQUESTS TO COLONIAL GAS COMPANY
D/B/A
KEYSPAN ENERGY DELIVERY NEW ENGLAND

D.T.E. 04-86

Respondent: Ann Leary

Information Request: 1-7

Q. Refer to Att. B of the Company's filing. Explain in detail how carrying costs for residential, small C&I, and medium C&I programs were calculated.

A. The carrying costs for the Company's residential, small and medium C&I DSM Program are calculated as follows:

(Month's Average Balance X 13.58% Pretax Cost of Capital) (# Days Month/365 Days in the Year).

The worksheets and formula used to calculate residential carrying costs are found in Exhibit 3 (Bates Stamp Page 0055 and 0057), for Lowell and Cape respectively. The formula (Line 35 X Line 36)*(Line 38/Line 37) is noted on line 46 of each of these pages. The sum of the carrying charges for May through April at line 40 on each of these pages is then totaled.

The worksheets and formula used to calculate small C&I carrying costs are found in Exhibit 9 (Bates Stamp Page 00380-00385 and 00387-00392), for Lowell and Cape respectively. The formula (Line 34 X Line 35)*(Line 37/Line 36) is noted on line 45 of each of these pages. The sum of the carrying charges for May through April at line 39 on each of these pages is then totaled.

The worksheets and formula used to calculate medium C&I carrying costs are found in Exhibit 9 (Bates Stamp Page 00396-00401 and 00403-00408), for Lowell and Cape respectively. The formula (Line 34 X Line 35)*(Line 37/Line 36) is noted on line 45 of each of these pages. The sum of the carrying charges for May through April at line 39 on each of these pages is then totaled.

For ease of reference, the pages are attached and numbered. The worksheets and formula used to calculate carrying costs are found in Exhibit 9, pages 4-9 for

Lowell and pages 11-16 for the Cape. The formula (Line 34 X Line 35) (Line 37/Line 36) is noted on line 45 of each of these pages. The sum of the carrying charges for May through April at line 39 on each of these pages is then totaled. For ease of reference, the pages are attached and numbered.